

Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 NEA-10 IO-13 ISO-00 CIAE-00 DODE-00
PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01
PRS-01 SP-02 SS-15 USIA-06 AID-05 TRSE-00 OMB-01
SIL-01 LAB-04 EB-07 CU-02 /111 W
-----140625Z 126949 /11

R 131942Z MAY 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 7638
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY BOGOTA
AMEMBASSY BUENOS AIRES
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LISBON
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV
AMEMBASSY VIENNA
USINT BAGHDAD
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USCINCLANT
USMISSION GENEVA

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EO 11652 NA
TAGS: ILO ELAB PINS PINT SHUM OPEC PFOR VE
SUBJ: THIS WEEK IN VENEZUELA
REF: CARACAS 4568 (NOTAL)

SUMMARY: PRESIDENT PEREZ REVIEWS RESULTS P MIDDLE
EAST TRIP. ARGENTINE PRESIDENT VIDELA PRAISES GOAL OF
DEMOCRACY DURING STATE VISIT. EX-PRESIDENT BETANCOURT
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IMPOSES WILL ON AD YOUTH. FINANCE MINISTER HURTADO
APPEARS BEFORE CONGRESSIONAL FIANCE COMMISSION. ILO
SECRETARY GENERAL VISITS CARACAS. UNIVERSITIES ARE
QUIET BUT SCATTERED VIOLENCE CONTINUES IN CITY'S
BARRIOS. END SUMMARY.

1. PRESIDENT PEREZ REVIEWS RESULTS OF MIDDLE EAST TRIP

IN AN ADDRESS TO THENATION MAY 9, PRESIDENT PERZ REVIEWED THE RESULTS OF HIS TWO WEEK TRIP TO SEVEN OPEC COUNTRIES PLUS AUSTRIA AND SPAIN. PEREZ CLEARLY IMPLIED HE PLAYED A CATALYTIC ROLE IN HELPING TO HEAL THE OPEC PRICE SPLIT, AND EMPHASIZED THAT THIS ISSUE WOULD BE WELL ON THE WAY TO RESOLUTION BY THE TIME OF THE OPEC MINISTERIAL MEETING IN STOCKHOLM IN JULY. ON THE PALESTINE ISSUE, HE DENIED THAT THE LANGUAGE OF VARIOUS JOINT COMMUNIQUE'S ISSUED DURING THE TRIP WITH ME LEADERS INDICATED ANY CHANGE IN VENEZUELA'S POLICY OF "ACTIVE NEUTRALITY" ON THE PALESTINIAN QUESTION. AT SAME TIME, HE REITERATED VENEZUELA'S SUPPORT FOR A PALESTINIAN HOMELAND. PEREZ ALSO CLAIMED THAT GOV VIEWS ON PALESTINE COINCIDE WITH THE CARTER ADMINISTRATION'S POSITION ON THIS ISSUE. PEREZ' TRIP HAS RAISED EXPECTATIONS THAT VENEZUELA MAY BE PERCEIVED AS HAVING A KEY ROLE IN HEALING PRICE SPLIT, WHICH IN TURN PRESAGES A GREATER ALIGNMENT OF VENEZUELA WITH ARAB STATES, AND COULD ALSO GENERATE PROBLEMS FOR IM WITHIN THE AD APTRY AND WITH THE DOMESTIC OPPOSITION.

2. ARGENTINE PRESIDENT VIDELA PRAISES GOAL OF DEMOCRACY DURING STATE VISIT. ARGENTINE PRESIDENT JORGE RAFAEL VIDELA ARRIVED IN CARACAS MAY 11 FOR FOUR DAY STATE VISIT. IN REMARKS AT STATE DINNER MAY 11, VIDELA EMPHASIZED THERE IS NO SINGLE MODEL OF DEVELOPMENT FOR COUNTRIES, BUT THAT THE FINAL OBJECTIVE OF THE ARGENTINE PROCESS IS THE CREATION OF "FULL DEMOCRATIC COEXISTENCE." PRESIDENT PEREZ TOLD HIS GUEST THAT LIMITED OFFICIAL USE

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"ARGENTINA WILL DECIDELY MARCH TOWARD ITS AUTHENTIC DEMOCRATIC RECOVERY." JOINT COMMUNIQUE SIGNED MARCH 12 ALSO ENDORSED GOAL OF DEMOCRACY, NOTING BOTH COUNTRIES' CONVICTION THAT "MAN CAN FULLY REALIZE HIS TOTENTIAL WITHIN A JUST SOCIAL, POLITICAL AND ECONOMIC ORDER THAT PROMOTES THE ADVANTAGES AND HUMAN IMPORTANCE OF THE DEMOCRATIC SYSTEM," AND "TO SAFEGUARD THE EFFECTIVE EXERCISE OF DEMOCRACY."

IN PRESS CONFERENCE FOLLOWING SIGNING OF JOINT COMMUNIQUE, VIDELA INDICATED THAT THERE IS NO FIXED DATE FOR ESTABLISHMENT OF AN "AUTHENTIC REPRESENTATIVE DEMOCRACY" AND "THAT ONLY WITH THE MATURITY OF TIME" COULD IT BE ESTABLISHED. HE ALSO DEFENDED GOA'S HUMAN RIGHTS RECORD AND IMPLIED THAT THE ARREST OF FORMER PRESIDENT LANUSSE HAD NOT CAUSED DIVISION WITHIN THE RANKS OF THE MILITARY. ON FOREIGN POLICY THEMES, THE COMMUNIQUE MENTIONED, INTER ALIA, THE TWO COUNTRIES' GOALS OF ELIMINATING COLONIALISM IN THE HEMISPHERE, VENEZUELA'S SUPPORT FOR ARGENTINA'S CLAIMS TO THE FALKLAND ISLANDS, PROMPT CON-

CLUSION OF A PANAMA CANAL TREATY, UNDERSTANDING OF BOLIVIA'S SEA CORRIDOR PROBLEM, SUPPORT FOR DSARMAMENT OBJECTIVES, AND LOS NEGOTIATIONS, CIEC, SELA, LAFTA, AND THE RIGHT OF EACH STATE TO DEVELOPMENT OF NUCLEAR ENERGY FOR PACIFIC USES "WITHOUT DISCRIMINATION IN NCULEAR TECHNOLOGY."

COMMENT: VENEZUELAN LEFTISTS HAVE CRITICIZED PERZ FOR ABANDONING DEMOCRATIC PRINCIPLES BYI INVITING VIDELA. HOWEVER, VISIT HAS TO DATE NOT GENERATED SUBSTANTIAL CRITICISM FROM NON-MARXIST OPPOSITION. PRIVATELY, GOV PERCEIVES THE VISIT AS A MEANS OF MOVING ARGENTINA TOWARD DEMOCRACY, ALTHOUGH THEY ARE AWARE THAT THE PROCESS WILL BE AN ARDUOUS ONE.

3. BETANCOURT IMPOSES WILL ON AD YOUTH. FORMER PRESIDENT ROMULO BETANCOURT STOLE THE HEADLINES THIS LIMITED OFFICIAL USE

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WEEK WITH AN ATTACK ON THE INTENTION OF AD YOUTH SECRETARY HECTOR ALONSO LOPEZ T LEAD AN AD YOUTH DELEGATION TO THE 11TH WORLD YOUTH FESTIVAL IN HAVANA NEXT YEAR. IN LETTERS TO PARTY PRESIDENT GONZALO BARRIOS AND AD SECRETARY GENERAL LUIS PINERUA ORDAZ, BETANCOURT CALLED ON AD'S NATIONAL EXECUTIVE COMMITTEE TO CANCEL THE PROPOSED VISIT LEST AD BE ACCUSED OF COZYING UP TO THE CUBAN COMMUNISTS. BETANCOURT ALSO ATTACKEDTHE OFFER OF FACILITIES TO PERSONS ORGANIZING VENEZUELA'S DELEGATION TO THE HAVANA MEETING BY THE STATIST BUSINESS GROUP PRO-VENEZUELA. THE AD NATIONAL LEADERSHIP UNANIMOUSLY SUPPORTED BETANCOURT'S POSITION ON MAY 10. OBSERVERS SEE BETANCOURT'S INTERVENTION AS ANOTHER MANIFESTATION OF THE STRUGGLE FOR CONTROL OF AD BETWEEN THE FORMER PRESIDENT AND PRESIDENT PEREZ. THE CEN VOTE DEMONSTRATED ONCE AGAIN THE CONTINUING CLOUT BETANCOURT HAS WITHIN THE PARTY. THE AGING AD STATESMAN VIEWS VENEZUELAN DEMOCRACY AS FRAGILE AND FEARS ATTEMPTS BY THE CASTRO REGIME TO UNDERMINE THE POLITICAL SYSTEM AND THEREFORE STRONGLY DISLIKES MOVES BY THE PEREZ ADMINISTRA- TION TO INCREASE CONTACTS WITH CUBA. ALSO, BETANCOURT BLEIVES THAT AN AD YOUTH JUNKET TO CUQA CULD COST AD VOTES IN NEXT YEAR'S ELECTIONS, AS HAPPENED TO COPEI IN THE 1973 ELECTIONS FOLLOWING ANNOUNCEMENT OF A PROPOSED BUT NEVER MADE "TECHNICAL STOP" IN HAVANA BY FORMER PRESIDENT RAFAEL CALDERA.

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PRS-01 SP-02 SS-15 USIA-06 AID-05 TRSE-00 OMB-01
SIL-01 LAB-04 EB-07 CU-02 /111 W
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R 131842Z MAY 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 7639
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY BOGOTA
AMEMBASSY BUENOS AIRES
AMEMBASSY DOHA
AMEMBASSY JIDDA
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4. FINANCE MINISTER HURTADO APPEARS BEFORE CONGRESSIONAL
FINANCE COMMISSION. FIANCE MINISTER HECTOR HURTADO
APPEARED MAY 11 BEFORE THE FINANCE COMMISSION OF THE
NATIONAL CONGRESS. HIGHLIGHTS OF HIS PRESENTATION FOLLOW:

VENEZUELA MAY SEEK AN ADDITIONAL \$350 MILLION IN
EURODOLLAR CREDITS BEFORE THE END OF THE YEAR.
THE MONEY WILL BE USED TO FINANCE EXISTING OBLIGA-
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TIONS OF AUTONOMOUS GOVT AGENCIES.
A NATIONAL BUDGET OFFICE IS TO BE
CREATED WITHIN THE FINANCE MINISTRY. IT IS SCHEDULED TO BEGIN
OPERATIONS ON JAN 1, 1978, AND WILL PLAY A KEY ROLE IN

HURTADO'S CONTINUING EFFORTS TO STREAMLINE THE BUDGETARY PROCESS.

THE FINANCE MINISTRY WILL SUBMIT PRELIMINARY 1978 BUDGET SHOULD BE A BALANCED ONE, TOTALLING APPROXIMATELY BS 37 BILLION (\$158.4 BILLION). THE MINISTER PREDICTED A BS 2.5 BILLION (\$10.7 BILLION) BUDGETARY SURPLUS FOR 1977.

THE RAPID GROWTH IN GASOLINE CONSUMPTION NEEDS TO BE CURTAILED. HURTADO SUGGESTED VARIOUS MEASURES, INCLUDING INCREASES IN THE PRICE OF GASOLINE TO THE CONSUMER.

5. ILO SECRETARY GENERAL BLANCHARD VISITS CARACAS
SECRETARY GENERAL BLANCHARD OF THE ILO IS SPENDING A WEEK IN VENEZUELA CONFERRING WITH PRESIDENT PEREZ, LABOR MINISTER MANZO GONZALEZ, WORKER AND EMPLOYER GROUPS AND VISITING PRINCIPAL CENTERS OF INDUSTRY OUTSIDE OF CARACAS. BLANCHARD EXPRESSED OPTIMISM THAT THE US WILL DECIDE TO REMAIN WITHIN THE ILO, PREDICTING SUCCESS FOR THE US INITIATIVE ON ARTICLE 17. HE ANNOUNCED THAT THE ILO WILL OPEN A PERMANENT OFFICE IN VENEZUELA AND CALLED ON VENEZUELA "AS A WEALTHY COUNTRY AMONG POOR COUNTRIES" TO INCREASE ITS ASSISTANCE TO LESS FORTUNATE NATIONS OF LATIN AMERICA (PRESUMABLY CHANNELING SOME OF THIS ASSISTANCE THROUGH THE ILO).

COMMENT: BLANCHARD HAS BEEN WELL RECEIVED BY ALL SECTORS AND THE VISIT SEEMS TO BE GOING WELL. WHETHER IT WILL RESULT IN INCREASED VENEZUELAN FINANCIAL SUPPORT FOR THE ILO REMAINS TO BE SEEN. END COMMENT.

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6. UNIVERSITY QUIET -- SCATTERED VIOLENCE IN CITY'S BARRIOS. THERE HAVE BEEN NO STUDENT DEMONSTRATIONS AT THE CENTRAL UNIVERSITY (UCV) CAMPUS SINCE THE MAY 5 CLASH BETWEEN POLICE AND STUDENTS PROTESTING A POSSIBLE SHUT-DOWN OF THE UNIVERSITY DUE TO LACK OF FUNDS. (CARACAS 4568). CONTINUING PRESS REPORTS HAVE CRITICIZED POLICE FOR OVER-REACTING AND CARRYING ON A CHRONIC VENDETTA AGAINST STUDENTS. INTERIOR MINISTER LEPAGE STATED THAT THE GOV "REGRETTED" THE EPISODE AND THOSE GUILTY OF EXCESSES WILL BE PUNISHED. THE CITY'S BARRIOS HAVE BEEN LESS TRANQUIL AS GROUPS OF HIGH SCHOOL STUDENTS BURNED FOUR CARS AND PERIODICALLY DISRUPTED TRAFFIC DURING THE PAST WEEK. SEVERAL DOZEN PEOPLE HAVE BEEN INJURED AND SOME SCHOOLS WERE FORCED TO CLOSE. M, INCLUDING TWO IN THE INTERIOR. REPORTEDLY, THE DEMONSTRATIONS ARE MEANT TO SHOW SOLIDARITY WITH UCV STUDENTS AND ALSO TO PROTEST THE

VISIT TO CARACAS OF ARGENTINE PRESIDENT VIDELA.

7. OTHER REPORTING THIS WEEK INCLUDED THE CONVERSATIONS BETWEEN ASST SECRETARY TODMAN AND THE VENEZUELA FOREIGN MINISTER (CARACAS 4710), TODMAN-CARACAS PRESS CONFERENCE (CARACAS 4784); TODMAN-VIDELA MEETING (CARACAS 4775); MORE ON PRESIDENT PEREZ' MIDDLE EAST TRIP (CARACAS 4732), ILLICIT PAYMENTS (CARACAS 4708), THE ILO, 63RD INTERNATIONAL LABOR CONFERENCE (CARACAS 4707), THE POSITION OF THE CTV ON THE FIRST CONFERENCE OF LABOR FEDERATIONS OF THE ANDEAN PACT (CARACAS 4701), THE STATUS OF UNRESOLVED ISSUES IN PETROLEUM NATIONALIZATION (CARACAS 4606), THE CONTINUED EFFORT TO UNIFY OPEC PRICES AND PREPARATIONS FOR CIEC MINISTERIAL MEETING (CARACAS 4772).
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Message Attributes

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Secure: OPEN
Status: NATIVE
Subject: THIS WEEK IN VENEZUELA
TAGS: ELAB, PINS, PINT, SHUM, PFOR, VE, ILO, OPEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/ed7e3895-c288-dd11-92da-001cc4696bcc
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